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# Lithuania

# Food Processing Ingredients Sector

# Report

# 2001

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**Report Highlights:**

**Lithuania is an attractive market for exporters of food and agricultural products. Business relationships with U.S. suppliers, however, are only beginning to be developed. Imported materials comprise 9% of the processed raw materials used in the food industry. This report provides an overview of Lithuania's food processing sector.**

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Includes PSD changes: No
Includes Trade Matrix: No
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## GENERAL TRENDS IN THE DEVELOPMENT OF THE FOOD INDUSTRY

Processing of food products and beverages is one of the main industries in Lithuania. Although its comparative weight has declined slightly over the past years, in 1999 the food industry accounted for 28 percent of total sales of mining and manufacturing output (down from 35 percent in 1995). The food industry created about 27 percent of value added and, together with the tobacco industry, took 44 percent of capital investments.

In 1999, the mining and manufacturing sectors sold production for 4.5 billion US dollars (Official currency exchange: 4 LTL = 1 USD).

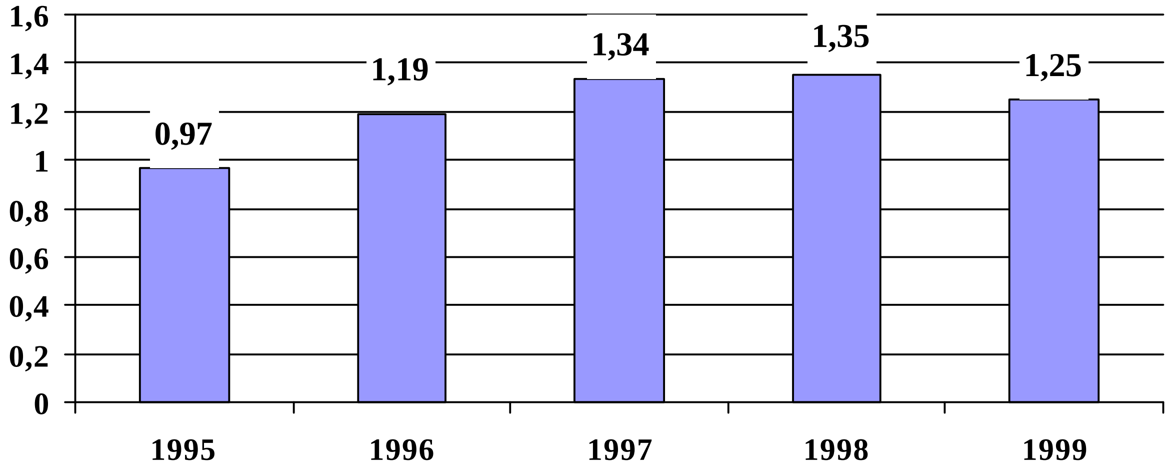
Food products and beverages accounted for 12 percent of Lithuania's gross domestic product in 1999, down from 15 percent in 1996. The country's GDP topped10.7 billion US dollars in 1998 but fell slightly to 10.6 billion US dollars in 1999.

In 1999, the food industry processed raw materials worth 500 million US dollars, of which local materials comprised 91 percent. Imports of raw materials amounted to 45 million US dollars (see Figure 9).

According to the Lithuanian Ministry of Economics, the trends in food products and beverage sales are hard to predict. The unpredictability and scarcity of many food items characteristic of the economic system in Lithuania before 1990, resulted in irregular and abnormal shopping patterns. When supplies were available, larger quantities than immediately needed were purchased, stored and, over time, often spoiled. Since 1990, when the food supply stabilized and consumer purchases resumed normal weekly shopping patterns, the quantity of food products purchased has dropped from 30 to 40 percent.

Several stages can be discerned in the development of Lithuania's food industry during the period from 1992 to 2000. In 1992 through 1995, the volume of food production fell by more than 40 percent. From 1996 to 1998, the sector began to recover, increasing production by more than 35 percent. As compared with 1998, the volume of production shrank by 7.4 percent in 1999 and totaled 1.25 billion US dollars.

**Figure 1. Sales of food products and beverages in 1995-1999 (billion US dollars)**




Compiled based on the data of the Lithuanian Department of Statistics

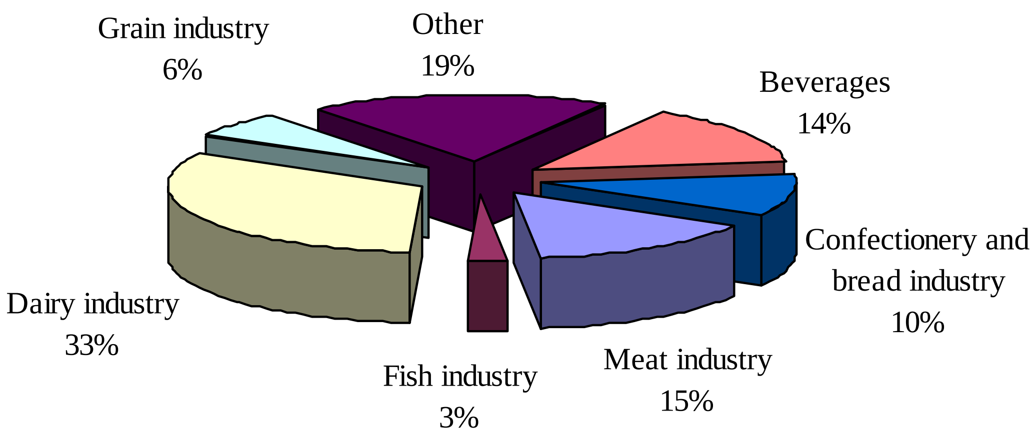
The decrease in the volume of food production in 1999 was due to Lithuania's shrinking exports to Russia and other CIS countries caused by ruble devaluation. The monetary policy pursued by Russia, as well as growing international competition on the Russian market, ousted Lithuanian food products from the traditional trading routes in Russia and other CIS countries. Food exports dropped from 27.3 percent of Lithuania's total food production in 1997 to 24.5 percent in 1998 and 16.7 percent in 1999. The first quarter of 2000 saw some improvement as exports increased to 20.2 percent. Deteriorating conditions on foreign markets brought about a surplus of food production, making local and export prices fall.

In the first quarter of 2000, as compared with the same period of 1998, sales of food products, measured at constant prices, rose by one percent. It was the first increase after the downfall of 1998 and 1999. However, the volume of sales at current prices remained almost the same and totaled 272 million US dollars in 1999, down from 273 million US dollars in 1998.

At the beginning of 2000, there were 564 food-processing companies in Lithuania. The bulk of food products and beverages is processed by 76 large companies, or 13 percent of all food producers. In 1997, they accounted for 72 percent of Lithuania's total food production.

At the beginning of 2000 most of Lithuanian food manufacturers (194 companies) manufactured confectionery and bread products. There were 93 meat producers. However, dairy producers were processors in the top position by the volume of sales. Dairy products accounted for 33 percent of all food production sales in Lithuania in 1999.

**Figure 2. The structure of sales of food products and beverages in Lithuania in 1999 (percent)**




Compiled based on the data from the Lithuanian Department of Statistics

In the last five years, market concentration processes and mergers have taken place in the Lithuanian dairy sector. The meat and bread industries have shown opposite trends: a number of small businesses sprang up, aiming to serve the needs of local markets.

In the past few years, food manufacturing has shown several distinct trends that should be taken into account if the aim is to expand business activities in, or to supply raw materials for, the Lithuanian food industry.

| Strengths | Weaknesses |
|---|---|
| Lithuania has a traditionally well-developed food industry that has lived through the transition following the restoration of independence.<br><br>Food exports to the European Union are increasing.<br><br>Food production absorbs 9 percent of imported raw materials, food additives and spices.<br><br>Local production of spices and sauces is under-developed.<br><br>Food processors are open to innovation.<br><br>Lithuanian food producers are increasingly concerned with the quality of raw materials and food additives. | The Lithuanian food market is small, and food consumption is low.<br><br>Many business entities are faced with a lack of operating capital. The existing ineffective industry infrastructure hinders business development.<br><br>Domestic companies have already developed stable business relationships with suppliers of raw materials. This is an obstacle to market entry by newcomers.<br><br>The introduction of new raw materials and food additives is subject to approval by Lithuanian authorities.<br><br>The network of small local suppliers of raw materials and food additives is expanding.<br><br>The agricultural sector is still undergoing reform. The expanding food industry may be confronted with a shortage of basic raw materials.<br><br>The Food and Veterinary Service imposes import restrictions in order to protect local producers and suppliers.<br><br>Business relationships with U.S. suppliers are underdeveloped.<br><br>The skills of using information technologies are still to be improved, therefore local food industry specialists lack information about U.S. achievements. |

## A STRATEGY FOR MARKET ENTRY

The economic recovery recorded in 2000 is attributed primarily to an increase in Lithuanian exports. An upturn in the local market that is expected to occur in late 2000 and early 2001 may further bolster the economy. It is, therefore, likely that the conditions for market entry by new suppliers of raw materials and food additives as well as the investment climate will improve in 2001.

Lithuanian food processors purchase raw materials and food additives either directly from producers or from wholesalers specializing in supplying the food industry.

Suppliers of raw materials and food producers have already established steady business relationships. Despite that, food processors are open to new proposals that would allow them to replace the existing raw materials with better and cheaper ones. This was indicated during an interview of directors of food-processing companies.

Lithuanian wholesalers are interested in introducing new imports on the Lithuanian market if the following conditions exist:

1. the new products are much cheaper than the existing commodities of comparable quality;

2. the supplier is pursuing active expansion and marketing policies on the Lithuanian market;

3. the new products will enrich and renew the wholesaler’s assortment.

A new product is likely to be successfully introduced on the Lithuania market through the existing distribution channels if it possesses certain price advantages. If these are negligible, the new suppliers may be forced to pursue active marketing policies. Traditionally, representative offices are established for this purpose. They not only carry out active information activities to promote their production in conventional ways (by sending booklets, catalogues, samples and, first and foremost, by visiting clients), but also provide technological consultations (offering new recipes, selecting flavors for the local market or helping to address other technical and technological problems).

Such representatives are responsible for registering their products with Lithuanian authorities, since official authorization is required for all new food products to be introduced in Lithuania. Being familiar with the local market, the representatives may encourage the replacement of existing suppliers.

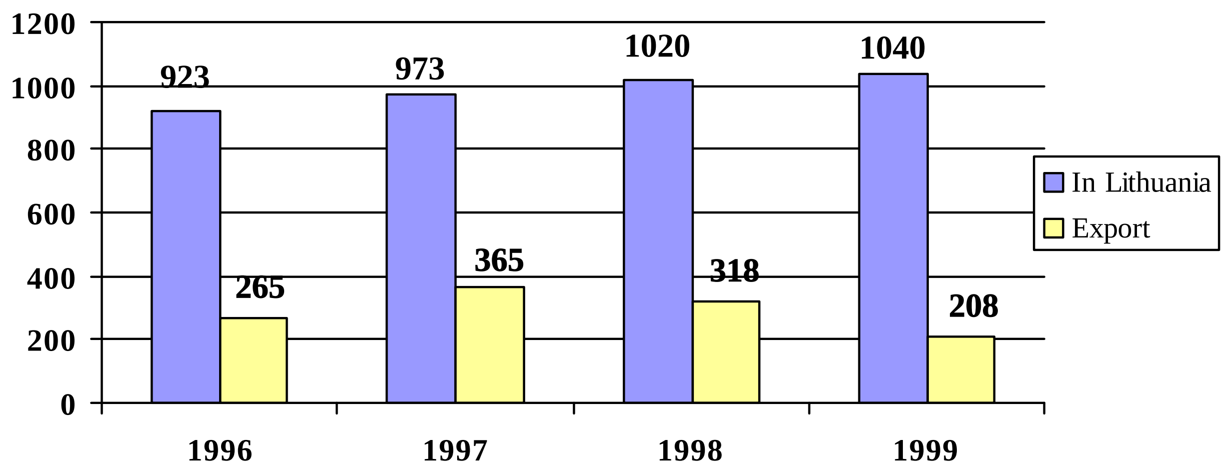
Although most Lithuanian food producers are able to receive information in electronic form, these channels should not be solely relied on. The tradition of collecting information and concluding commercial transactions through the Internet are only evolving. So far, the Lithuanian food processors still favor traditional business contacts, and electronic information channels are playing a subsidiary role.

The annual specialized fair “AgroBalt” may be used to establish contacts with food producers and suppliers of raw materials. The fair is typically held in Vilnius the first week in May. The fair is attended by visitors from around the world, including official delegations from the neighboring Baltic States, Western Europe and Eastern states. Every year the fair hosts various conferences, seminars, and presentations.

## THE FOOD MARKET

Lithuanian food producers are attempting to enter external markets, but the share of food exports declined steadily since 1997 (down from 27.3 percent in 1997 to 16.7 percent in 1999). The local market showed the opposite trend. The sales of food production (at current prices quoted by food processors) grew rapidly and amounted to 1.02 billion US dollars in 1998, but it remained almost at the same level in 1999.

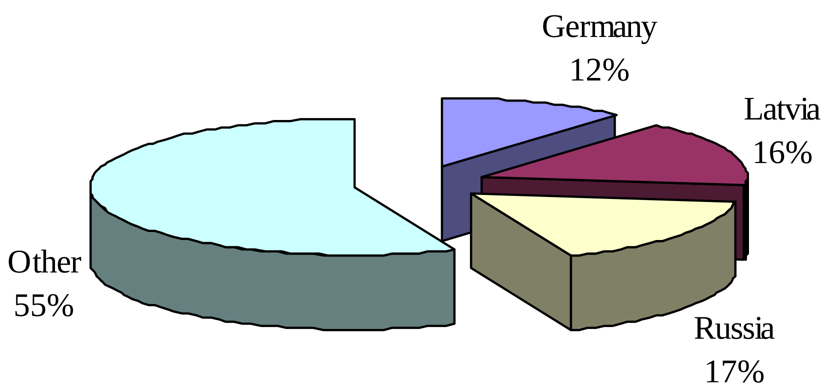
**Figure 3. Sales of food products and beverages in 1996-1999 (million US dollars)**




Compiled based on the Lithuanian Department of Statistics

In 1999, the bulk of food exports went to CIS countries (32 percent) and the European Union (26 percent). Exports to CEFTA and EFTA countries accounted for 6 percent of all food exports in 1999.

**Figure 4. Food exports by country in 1999 (percent)**




Source: the Lithuanian Department of Statistics

In Lithuania, food production is sold through retail trade and hotel, restaurant, institutional food service sector. Ninety-six percent of total food production is sold in stores and marketplaces, while the remaining four percent is sold in public catering establishments.

## TYPES OF ENTERPRISES

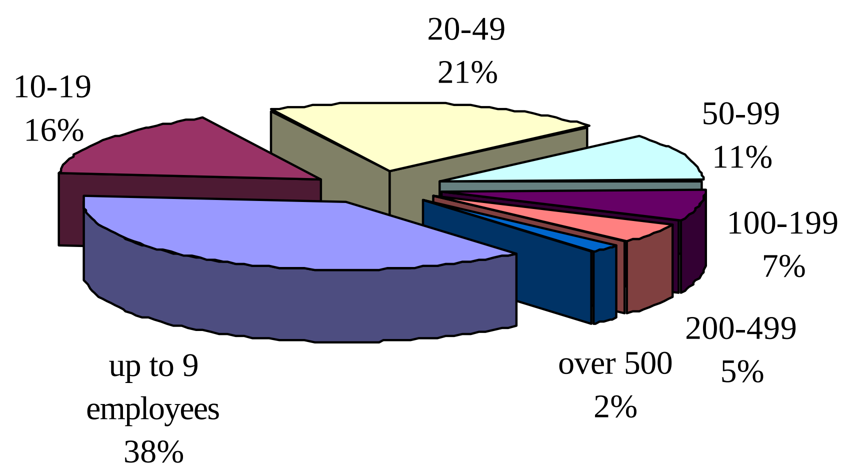
As was mentioned, there were 546 food-processing companies in Lithuania at the beginning of 2000. In 1997, there were 434 of them. The main branches of the Lithuanian food industry include **dairy products, bread and confectionery, meat, grain, fish, beer and beverages.**

**Table 1. The Lithuanian food industry at the beginning of 2000**

| Branch | Total number of enterprises | Number of large enterprises | Sales (million US dollars) |
|---|---|---|---|
| Dairy products | 52 | 19 | 312 |
| Bread and confectionery | 194 | 8 | 129 |
| Meat industry | 93 | 24 | 181 |
| Grain industry | 45 | 7 | 64 |
| Beer industry | 45 | 7 | 90 |
| Beverages (including alcoholic beverages) | 30 | 7 | 116 |
| Fish industry | 37 | 2 | 30 |
| Other | 50 | 2 | 13 |
| **TOTAL:** | **546** | **76** | **935** |

According to the Lithuanian Department of Statistics, at the beginning of 1999 small and medium-sized enterprises (with up to 50 employees) accounted for 76 percent of all food producers, and large companies (over 50 employees) constituted 25 percent. It should be noted that 84 percent of all work force employed in the food industry worked in large companies.

**Figure 5. Amount of employees of food and beverages companies in the beginning of 1999**




Compiled based on the data of the Lithuanian Department of Statistics

**Table 2. Leading food producers in different branches**

| Company name and type | Sales (million US dollars) | Distribution channels | Manufacturing Country | Origin of raw materials and additives used |
|---|---|---|---|---|
| ***Stumbras*** (alcoholic beverages) | 58 | Retail trade, HRI, export | Lithuania | Local,imported |
| ***Kraft Jacobs Suchard Lietuva*** (confectionery and bread) | 54 | Retail trade, HRI, export | Lithuania | Local,imported |
| ***Rokiskio suris*** (dairy production) | 48 | Retail trade, HRI, export | Lithuania | Local,imported |
| ***Klaipedos maistas*** (meat and meat products) | 25,5 | Retail trade, HRI, export | Lithuania | Local,imported |
| ***Kalnapilis*** (beer) | 24,2 | Retail trade, HRI | Lithuania | Local,imported |
| ***Kraitene*** (ice-cream, fish products and wholesale trade) | 23,9 | Wholesale and retail trade, HRI, export | Lithuania | Local,imported |
| ***Kretingos grudai*** (grain processing) | 18 | Wholesale and retail trade | Lithuania | Local |
| ***Vievio paukstynas*** (breeding of poultry and eggs) | 15,5 | Retail trade and HRI | Lithuania | Local,imported |

| | | | | |
|---|---|---|---|---|
| ***Aliejus*** (oil and mayonnaise) | 8,25 | Retail trade and HRI | Lithuania | Local,imported |

The **DAIRY INDUSTRY** is likely to remain a priority sector of food processing in Lithuania. At present, dairy exports constitute about 44 percent of Lithuania's total food exports. There are 52 dairy producers in Lithuania. These are private companies, with foreign capital invested in most of them. At the beginning of 2000, fourteen dairy companies had veterinary certificates allowing them to export their production to the European Union. Large companies with more than 50 employees account for 64 percent of all Lithuanian dairy processors.

Apart from the ***Rokiskio Suris*** joint-stock company, two other dairy processors – ***Zemaitijos Pienas*** and ***Pieno Zvaigzdes*** – have moved into the top positions. In 1999, these three companies controlled 60 percent of the dairy market.

During the first months of 2000, the turnover of the largest dairy producers increased, but their profits shrank as compared with the same period of 1999. These financial difficulties were due mainly to government price controls applied to milk output purchased by dairy processors from farmers as well as to unpaid export subsidies. By a governmental decree adopted earlier this year, milk producers and processors were allowed to establish the price of milk by mutual agreement. A decision was made that government support for milk producers should be in the form of direct benefit payments.

Milk, which is the main raw material used in the dairy industry, is produced within the country. Additives used in dairy manufacture are brought into the country from abroad: stabilizers are imported from Denmark and Finland, yeast from Denmark, Latvia and Germany, marmalades and jams from Latvia, Belgium and Finland, and cooking oil from Germany.

The **MEAT INDUSTRY** is confronted with fierce foreign competition. As the number of bred and fattened livestock is decreasing, meat production is expected to shrink as well.

It should be noted that about 20 meat processors go bankrupt and get established every year. Small companies are pursuing active expansion policies. At the end of 2000, there were 93 meat producers in Lithuania, including six large and about 20 medium-sized enterprises. The sales of medium-sized enterprises accounted for almost half of total meat sales in the country. At the beginning of 2001, not a single meat producer had a quality certificate that would permit export to Western markets.

The ***Klaipedos Maistas*** joint-stock company, whose production totaled 25.5 million US dollars in 1999, is Lithuania's leading meat producer. Among other top companies there are the ***Mesa*** joint-stock company (sales of 18 million US dollars in 1999), the ***Vilniaus Paukstynas*** joint-stock company (16 million US dollars), the ***Samsonas*** closed joint-stock company (11 million US dollars), and the ***Vilniaus Mesos Kombinatas*** joint-stock company (10.5 million US dollars).

There is a number of unprofitable operating slaughterhouses in Lithuania. According to expert estimates, no more than 50 of them should remain in operation.

Pork is the most popular meat in Lithuania.. Pork accounted for 60 percent of total meat consumption in 1999. According to the Department of Statistics, beef consumption is increasing. In 1999, it comprised 16 percent of total meat consumption. Poultry amounted to 19 percent.

The **BEER INDUSTRY** is believed to have the best prospects of development in 2000 of all branches of the manufacturing sector. The beer market is expected to surge by about 25 percent in 2000. There are 45 breweries in Lithuania. Lithuania's three leading breweries are ***Kalnapilis***, ***Utenos Alus*** and ***Svyturys***. At the beginning of 2000, they had a combined market share of 72 percent.

If Norway's ***Orkla*** and the Danish brewery ***Carslberg*** implement their plans of creating one of the largest beer concerns in the world, ***Carlsberg Breweries***, ***Carlsberg*** would control the Lithuanian beer market. The ***Orkla*** group holds 50 percent of shares in the ***Baltic Beverage Holding***, which owns ***Kalnapilis*** and ***Utenos Alus*** breweries. Carlsberg is the majority owner of ***Klaipeda's Svyturys***.

The level of competition in the Lithuanian beer industry is high, making the companies introduce new technologies and new products as well as improve the quality of their production. The prospects of the beer industry are estimated to be very good due to increasing export opportunities. In addition to that, the level of beer consumption in Lithuania is relatively high. It accounts for 31 percent of total consumption of alcoholic beverages.  Every year Lithuanian breweries process about 50,000 tons of malt, which constitutes 20 percent of the cost price of beer.

There are twelve companies manufacturing **alcoholic beverages** and 18 producers of non-alcoholic beverages in Lithuania. Production of Lithuania's largest manufacturer of alcoholic beverages, the ***Stumbras*** joint-stock company, totaled 58 million US dollars in 1999. Other enterprises in the top positions include ***Alita*** (sales of 20 million US dollars in 1999), ***Anykssiø Vynas*** (19 million US dollars), and ***Vilniaus Degtine*** (7 million US dollars). Among the largest producers of refreshing drinks, there are ***Vaisiu Sultys*** (sales of 2.6 million US dollars), the Selita closed joint-stock company, and the ***Birstono Mineraliniai Vandenys*** closed joint-stock company. Non-alcoholic beverages account for about 28 percent of total consumption of alcoholic and non-alcoholic beverages.

A total of 120 companies manufacture **BREAD AND PASTRY** products. There are 74 confectioners.

**Confectioners** and bread producers made a net profit of 5.5 million US dollars in 1999. The sales remained almost the same as compared with 1998. Kraft Jacobs ***Suchard Lietuva*** ranked first, with sales amounting to 54 million US dollars and net profits totaling three million US dollars. Among the top companies there are ***Vilniaus Duona*** (sales of 24 million US dollars), ***Vilniaus Pergalë*** (11 million US dollars), ***Naujoji Ruta*** (6.5 million US dollars), the sole proprietorship ***Ruta*** (4.8 million US dollars).

There were 45 **GRAIN** producers in Lithuania at the beginning of 2000. Production of the largest grain manufacturer, the ***Kretinga Grudai*** joint stock company, totaled 18 million US dollars. ***Kauno Grudai*** reported 16 million US dollars, while ***Malsena***, 9,7 million US dollars. Lithuanian grain growers supply 90 percent of grain processed in Lithuania. A only minor portion of wheat is imported from Canada and Hungary. About 93 percent of grain production is sold in Lithuania.

Thirty-seven enterprises produced **FISH** products at the beginning of 2000. Production of the largest fish manufacturer, the ***Kraitene*** closed joint-stock company, totaled 24 million US dollars. The ***Norvelita*** closed joint-stock company reported 7.5 million US dollars.

It should be noted that for many years, Lithuanian producers of canned fish products were mostly oriented towards the Russian market. After the disruption of the traditional trading routes, these companies have exploited only some 10 to 20 percent of their productive capacity. Under such conditions, the United Nations Food and Agricultural Organization, with financial support from the Danish Government, granted 176,000 US dollars in assistance funds for the preparation of a reorganization plan for canned fish manufacturers.

For the two largest Lithuanian canned fish manufacturers – the ***Zuvu Konservai*** joint stock company and the ***Senosios Baltijos Konservai*** closed joint stock company – to be modernized, each of them would require at least 1.25 billion US dollars in investments. Modernization of the factory buildings and technological lines would provide them with real opportunities to seek international certificates and to offer their production in the European Union. At the beginning of 2000, seven companies producing fish products had EU certificates allowing them to export production to the EU.

## THE PROSPECTS OF THE FOOD INDUSTRY

According to experts, almost all branches of the Lithuanian food industry are expected to grow in 2001 through 2003. Many specialists assert that, despite the downturn of the past few years, the dairy sector will remain in the lead. The dairy market has managed to counteract import flows since 1991, therefore local producers will continue to hold sway. It is predicted that Russia will shortly resume its position of Lithuania’s main trading partner.

A survey conducted in 1999 by the Lithuanian consulting firm ***Cesim Biznio Modelis*** showed that 97 percent of Lithuania’s leading dairy, meat and bread producers are constantly searching for and introducing new products in order to enrich and renew their assortment. Twelve percent of commodities, on average, is replaced or modified every year. A mere three percent of companies do not offer any new products. Forty-eight percent of food manufacturers consider themselves as leaders in the creation of new products, while 52 percent are followers.

Lithuanian meat processors are expected to bolster their efforts as Lithuanian products are allowed to enter the European Union. Today, only two with meat industry related companies – one gut processing company and a game manufacturer – are allowed to export their products to the European Union.

Meat production is expected to drop as the number of bred and fattened livestock is decreasing. Meat exports are falling due to the 1998 economic and financial crisis in Russia. However, production of meat and the first category by-products is likely to increase during the next two or three years if the forecasts prove correct and exports to CIS countries start growing and exports to the European Union remain on an upward trend.

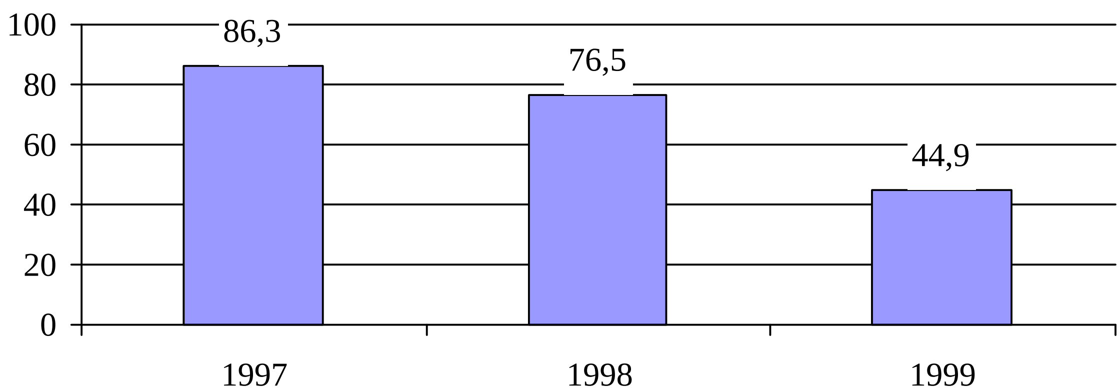
The European Commission's prognoses suggest that Lithuania will produce 3.31 million tons of grain, 1.68 million tons of dairy products, and 58,000 tons of beef in 2006. As Lithuanian companies start to address the problems related to Lithuania's membership in the European Union, food processing companies will be forced to undergo restructuring as well as to enhance productivity and distribution. According to Lithuanian officials in charge of EU membership talks, these changes will take place alongside privatization of food-processing companies and enterprises servicing the agricultural sector as well as reduction of special purpose enterprises. These processes are expected to improve conditions for local and foreign investments.

## COMPETITION

In 1999, the Lithuanian food industry processed 500 million US dollars' worth of raw materials. Imports accounted for about 9 percent of the total amount of raw materials used. A total of 128 million US dollars' worth of production of vegetable origin and 327 million US dollars' worth of production of animal origin were purchased for food processing purposes within the country.

Imports of processed and non-processed food products and beverages that are used in the manufacture of other food products edged down by 48 percent from 1997 to 1999.

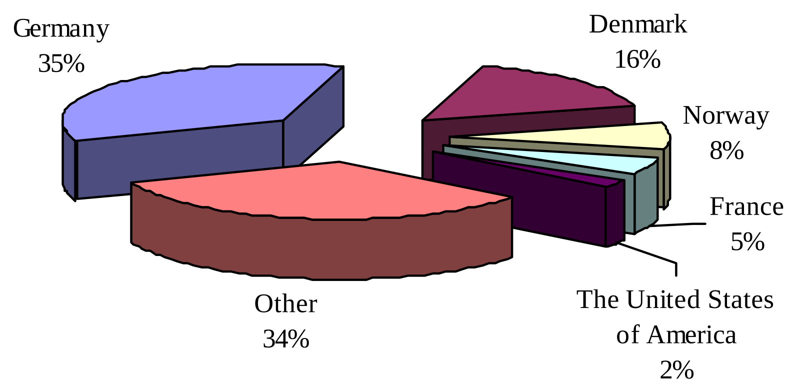
**Figure 6. Imports of processed and non-processed food products and beverages used in further production in 1997 and 1999 (according to BEC nomenclature)**




Compiled based on data of the Lithuanian Department of Statistics

Calculations of the Economic Consulting and Research firm based on the data reported by selected major food processors reflect the import structure of raw materials and additives used in the Lithuanian food industry.

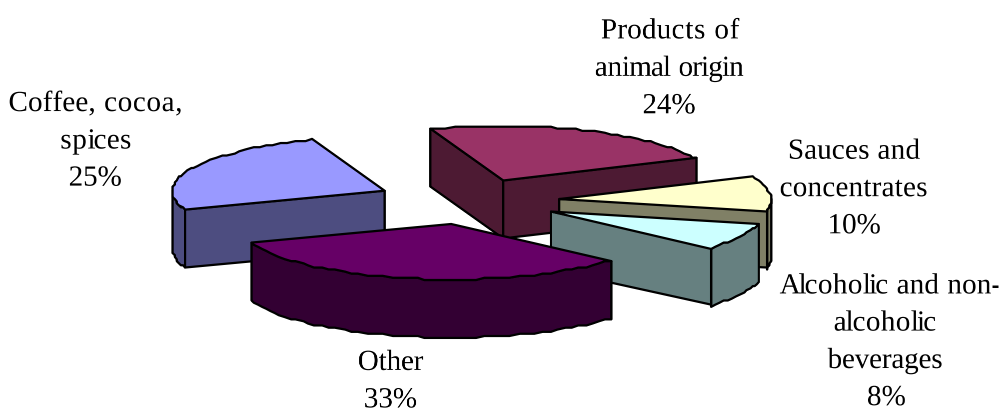
**Figure 7. The import structure of raw materials and additives used in the Lithuanian food industry by country in 1999**




Source: The Economic Consulting and Research firm

It should be noted that the share of raw materials and additives imported from the United States dropped from 6 percent in 1997 to 2 percent in 1999. In 1999, U.S. imports comprised mainly frozen fish, milk concentrate, cream concentrate, and peanuts.

**Figure 8. The import structure of raw materials and additives used in the Lithuanian food industry by commodity in 1999**




Source: The Economic Consulting and Research firm

In 1999, ***coffee*** was imported from Germany (95 percent), ***cocoa beans*** from Switzerland (88 percent) and Estonia (11 percent); ***cocoa powder and chocolate*** from Holland (76 percent), Germany (7 percent), France (5 percent); and ***spices*** from Germany (89 percent) and Australia (11 percent).

The main importers of ***production of animal origin*** to Lithuania were Norway (32 percent), Germany (19 percent) and Denmark (14 percent). It should be noted that the share of fish and fish products in the structure of imported products of animal origin surged from 2 percent in 1997 to 69 percent in 1999. The largest importers of fish and fish products were Norway (46 percent), Germany (19 percent), and Spain (11 percent). Imports from the United States constituted 5 percent of total imports of fish and fish products.

Milk and cream powder came from Estonia (38 percent), Latvia (32 percent), France (13 percent), and the U.S. (11 percent).

***Most concentrates and sauces*** were imported from Germany (87 percent) and France (8 percent).

In 1999, ***alcoholic and non-alcoholic beverages*** were imported mainly from Moldavia (41 percent), France (32 percent), and Latvia (18 percent). Wine, which accounted for 62 percent of total imports of beverages, came from Moldavia (67 percent) and France (33 percent).

Some importers of ***spices, soy protein concentrates*** **and** ***food fibre*** choose to enter the Lithuanian market by creating joint products with their clients. For example, German producers are producing spices adapted especially for the Lithuanian market. Also, Lithuania imports special spice assortments for bars and cafes.

## RAW MATERIALS IN DEMAND

### A. RAW MATERIALS IN DEMAND

***Basic raw materials***
Fish, malt (the volume of malt production is insufficient in Lithuania. Lithuanian malt is also expensive and of inferior quality), cocoa, coffee, wine, cognac, and grain.

***Main substitutes of raw materials***
Used mainly in the meat industry: soy, starch, all types of meat by-products, etc.

***Food additives***
Flavorings, stabilizers, emulsifiers, colorings, jams, marmalades, yeast, etc.

***Spices and their mixtures***
Pepper, nutmeg and other nuts, cardamon, vanilla, ginger, coriander, marjoram, garnish spices.

### B. RAW MATERIALS THAT ARE IN DEMAND BUT IN SHORT SUPPLY

All food processors are searching for cheap, quality raw materials, additives, and spices.

There are no complaints from Lithuanian food processors as to any shortages of some specific imported raw materials, additives or spices. Yet, there is a lack of information about raw materials, additives and spices used in the food industry in other countries.

### C. RAW MATERIALS TO WHICH IMPORT BANS OR RESTRICTIONS ARE APPLIED

Import of soy and soy flower is restricted by the Food and Hygiene Center. By a decree of the Government of Lithuania, all imported additives are subject to official registration.

# ATTACHMENT

**Figure 9. Suppliers of raw materials and distribution channels of the Lithuanian food products and beverages**

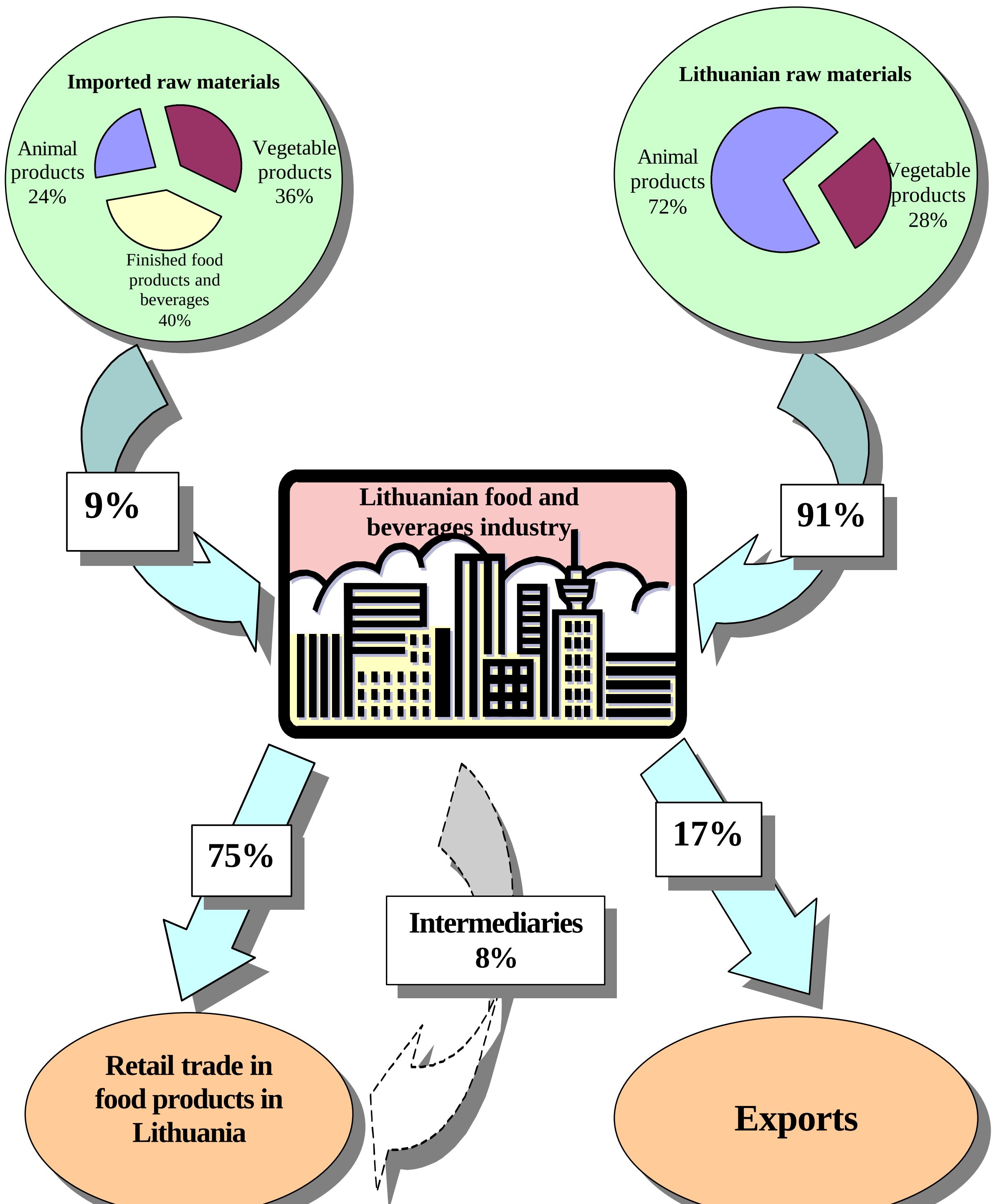


Table 3. List of countries with which Lithuania has free trade agreements

| No. | Country | Code | The date of coming into effect of the agreement |
|---|---|---|---|
| | **European Union member states:** | **EU** | **01 01 1995** |
| 1. | Ireland | IE | |
| 2. | Austria | AT | |
| 3. | Belgium | BE | |
| 4. | Denmark | DK | |
| 5. | Greece | GR | |
| 6. | Spain | ES | |
| 7. | Italy | IT | |
| 8. | United Kingdom of Great Britain and Northern Ireland | GB | |
| 9. | Luxemburg | LU | |
| 10. | Holland | NL | |
| 11. | Portugal | PT | |
| 12. | France | FR | |
| 13. | Finland | FI | |
| 14. | Sweden | SE | |
| 15. | Germany | DE | |
| | **EFTA:** | **EFTA** | **01 01 1997** |
| 16. | Iceland | IS | |
| 17. | Liechtenstein | LI | |
| 18. | Norway | NO | |
| 19. | Switzerland | CH | |
| | **Other:** | | |
| 20. | The Czech Republic | CZ | 01 07 1997 |
| 21. | Estonia | EE | 01 04 1994 |
| 22. | Latvia | LV | 01 04 1994 |
| 23. | Poland | PL | 01 01 1997 |
| 24. | The Slovak Republic | SK | 01 07 1997 |
| 25. | Slovenia | SI | 01 03 1997 |
| 26. | Turkey | TR | 01 03 1998 |
| 27. | Ukraine | UA | 21 11 1995 |
| 28. | Hungary | HU | 01 03 2000 |

Source: The Ministry of Economy of the Republic of Lithuania

Table 4. List of countries with the Most Favored Nations Status

| No. | Country | Code | The date of the coming into effect of the agreement |
|---|---|---|---|
| 1. | Australia | AU | 09 12 1993 |
| 2. | Belarus | BY | 23 02 1995 |
| 3. | Bulgaria | BG | 17 07 1996 |
| 4. | Georgia | GE | 09 09 1996 |
| 5. | India | IN | 1993 07 02 *) |
| 6 | Japan | JP | **) |
| 7. | The United States of America | US | **) |
| 8. | Canada | CA | 29 06 1995 |
| 9. | Kazakhstan | KZ | **) |
| 10. | China | CN | 23 06 1994 |
| 11 | Cyprus | CY | 10 04 1995 |
| 12. | Korea | KR | 09 11 1993 |
| 13. | Cuba | CU | 04 02 1994 |
| 14 | Moldavia | MD | 05 03 1997 |
| 15. | Romania | RO | 22 09 1992 |
| 16. | Russia | RU | 18 01 1995 |
| 17. | Uzbekistan | UZ | 28 08 1995 |
| 18. | Vietnam | VN | 24 07 1996 |

*) Applied as of the date of the coming into effect of the agreement.
**) In accordance with Article 10 of the Law on Customs Duties of the Republic of Lithuania.

Source: the Ministry of Economy of the Republic of Lithuania.